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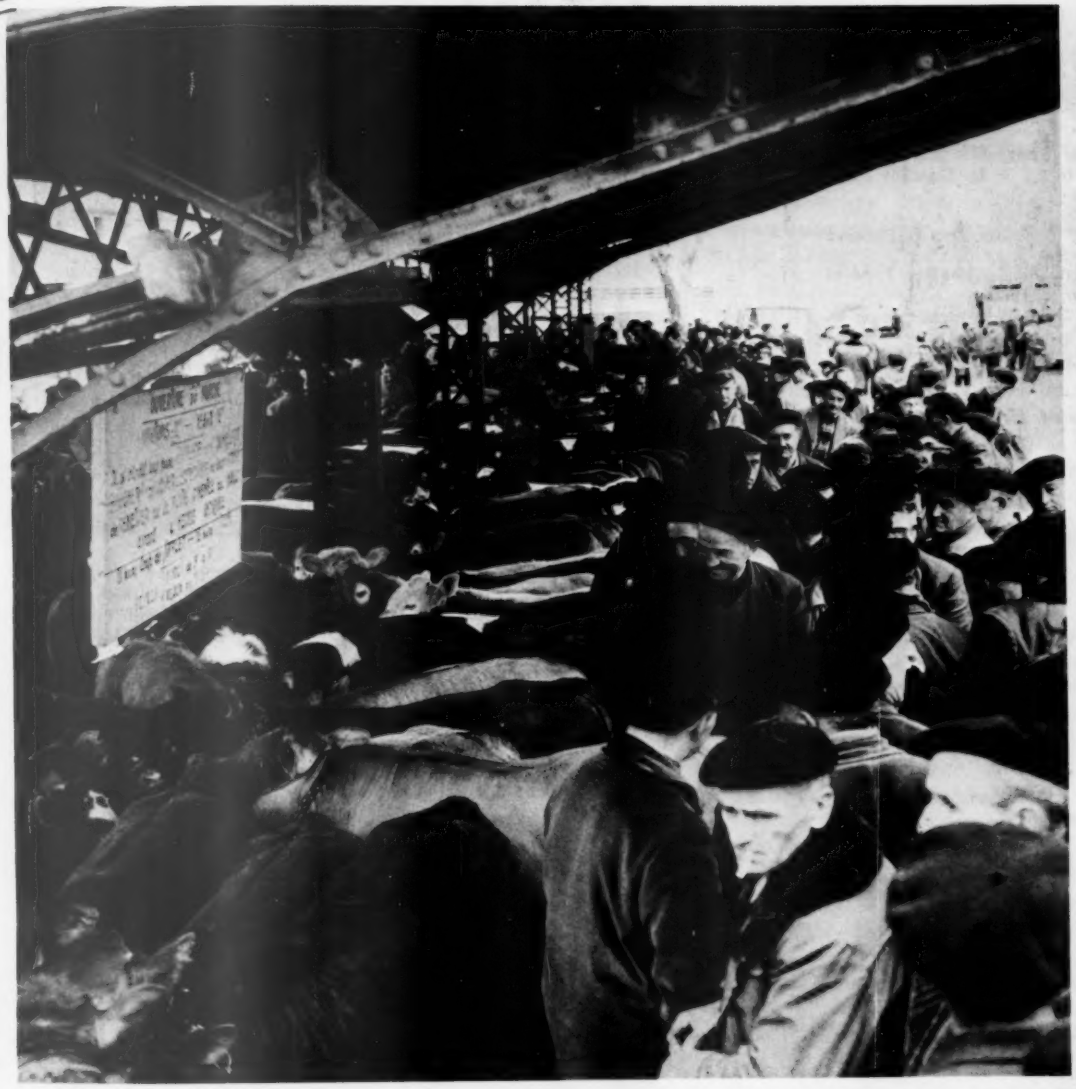

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Low Prices Dismay French Stockmen

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Foreign Agricultural Service
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This week's cover:

French livestock farmers buy and sell cattle at a provincial market near Villeneuve de Marsau. A discussion of their struggle with low prices begins this page. (Photo courtesy French Ministry of Agriculture.)

Orville L. Freeman, Secretary of Agriculture
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Low prices dismay French livestockmen—especially the pork producers, whose end products, sausages and hams, hang in shop above; below, sheep graze in pasture and sides of beef are displayed on truck.

France, in its effort to increase meat output and modernize production, has met with the age-old problem of declining farm prices and growing farmer unrest.

Low Prices Dismay French Livestockmen

By HAROLD L. KOELLER
Assistant U.S. Agricultural Attaché
Paris

Livestock production increased in France last year, but the cost of that gain was widespread discontent among the country's farmers. For with the increase in production, farmers saw returns for their hogs and cattle drop and farm costs continue upward. Out of this cost-price squeeze grew unrest and eventually —on October 2, 1967—a massive protest in Brittany and elsewhere.

A powerful force was thrown behind that protest—culminating in numerous injuries to farmers and police (See *Foreign Agriculture*, December 25, 1967) and mirroring the importance of the livestock industry. Nearly two-thirds of France's farm income comes from the industry, even though most livestock farmers run small and often inefficient operations. Moreover, they produce not only the country's meat but also its milk—since over three-fourths of the cattle are dual-purpose animals—and have been troubled also by growing dairy product surpluses.

Numbers, slaughter increase

The gain last year in livestock production was across the board—both animals in herds and those slaughtered increased. This alone was enough to drive prices lower, but adding to the pressure were heavy imports of live hogs, mainly from the Low Countries. A resultant farmer complaint was that the EEC price support mechanism as operated by the French Government did not maintain hog prices high enough to permit earning a just return on capital and labor.

Declining hog and pork prices were, in fact, the prime source of irritation among farmers, especially those in Brittany where hog production is centered.

Had it followed the usual cycle, hog production would have turned downward in 1966—a change which producers thought would bring prices back to the favorable level of 1965. But at the same time, many of these producers were building up numbers in anticipation of improved marketing conditions when the Common Hog Market of the EEC came into being on July 1, 1967.

The net result was an increase in hog numbers to an estimated 9,530,500 head on October 1, 1967, from 9,334,500 on April 1, 1966. Simultaneous with this gain, hog imports from the Netherlands and other EEC members skyrocketed to 2½ times the 1966 level. Slaughterings therefore rose by more than 5 percent, with nearly half of this increase in slaughterings of imported hogs, and output of pork gained by a similar amount. The larger production precipitated a 10-percent drop in pork prices, which disillusioned farmers and put many of them in desperate financial straits.

Similar, though less drastic, changes took place in beef production and prices.

French Charolais cattle out on pasture.

Cattle numbers on October 1, 1967, were 21,417,100 head, 223,000 above those in 1966. Cattle slaughter was also up—by about 8 percent—resulting in expanded beef output as well as in weakened prices for live cattle and a surplus of milk and butter.

The number of calves slaughtered rose by nearly 4 percent, and veal production climbed by the same amount, making for a net gain of 115,000 metric tons in combined output of beef and veal. Prices for veal, however, remained fairly steady while those for beef fell about 20 centimes (4 U.S. cents) per kilogram.

Most of the increased supply of beef and veal was kept on the domestic market since exports failed to increase and imports were down only slightly. SIBEV, the price support agency, also accumulated about 40,000 metric tons through price-support purchases.

Trade in live cattle and calves, on the other hand, was brisk, with exports up almost 70,000 head from the previous year and near the high level achieved in 1965. This gain apparently took some pressure off the domestic market and kept beef prices from falling further.

Also on the uptrend were sheep and lamb numbers and slaughter, but the increasing popularity of lamb boosted prices above the previous year's.

Paralleling the production gains in meat were increases in output of animal fats. Lard production rose by about 12 percent in 1967, while that of edible tallow climbed a whopping 50 percent. Since inedible tallow production was up only 5 percent, it appears that more cattle fat was directed into edible tallow channels, presumably to satisfy increased demand for this product as a livestock feed ingredient. The total gain in tallow output outstripped that for beef and veal, reflecting the increased slaughtering in modern plants where the fat is saved for rendering.

Problems of the industry

The livestock producers' disappointment with prices last year was not only an

agricultural marketing problem for France and other EEC countries, but it also accentuated a serious social problem.

Since the production of beef is associated with that of milk, increasing meat output tends to either cause or reflect the surplus disposal problem for most dairy products. But the small producers, who are still numerous even though 150,000 are leaving the land yearly, depend on the milk check as their main source of income. A reduction in the price of milk in EEC countries in order to combat the milk surplus would be courting riots and strikes by livestock farmers.

Yet, a slight reduction in the previously agreed EEC milk price scheduled to come into effect on April 1, 1968, was proposed by the EC Commission as a measure to reduce surplus milk production in future years. This was strongly opposed by French Minister of Agriculture Faure at meetings of the EC Council of Ministers in March. EEC dairy farmers descended on Brussels to protest the proposal.

The Council agreed not to reduce the price but did not have time to decide on other measures to control the milk and butter surplus and consequently agreed to delay the beginning of the common markets for milk and beef until June. However, member countries were authorized to increase beef orientation and intervention prices to the previously agreed common level, and France has since decided to do so also, increasing these prices about 7 percent. In the meantime, the Commission and the Council were to study other measures to solve the surplus problem.

One possible solution suggested by agricultural circles was a restriction on imports of fats and oils, like peanut oil, that are competitive with butter. They said a 5-percent drop in such imports would permit absorption of the butter surplus.

It appears that there is little support for this measure, although Minister Faure did suggest levying an 8-percent tax on imported oilseeds and vegetable oils; this would cover some of the costs of a disposal program for surplus dairy products and would increase margarine prices about 8 percent. EC ministers, however, prefer not to adopt a measure detrimental to the already precarious living conditions in the underdeveloped African countries that supply peanuts and other seeds and oils to Europe. (This measure would affect imports of U.S. soybeans and soybean oil.) Also, there are several practical deterrents. One is Dutch opposition, since that country consumes more margarine than butter, exporting the latter; another is opposition from other member countries that consume large quantities of margarine and do not wish to increase their cost of living.

Other measures suggested by Minister Faure are the subsidization of the butter price by 15 percent in order to encourage consumption, requiring the incorporation of butterfat in calf replacer feeds, subsidizing industrial use of butter, and increasing the price of beef by 15 percent; however, the latter would be difficult, he said, and would require some time. The reduction in the butter price could be brought about either by a direct subsidy on butter at the wholesale level or by a reduction in the price of milk to producers with a compensating producer payment.

Grain feeding of beef

For France, there seems to be only two long-term solutions—group farming by smallholders and the gradual replacement of dairy cattle with beef breeds.

At the present time, French farmers are experimenting with the possibility of expanding beef production by utilizing grains that are in surplus. The problem has been that with grain prices increasing rapidly to EEC levels and cattle prices rising slowly, it has not paid farmers to fatten cattle on grain. Also to be considered is the preference of most northern Frenchmen for the dark meat of older grass-fed cattle over yearling beef. However, the questions of color, fatness, and tenderness could be solved if yearling fed beef could be economically produced.

It is possible that the 7-percent increase in French beef prices to the common EEC level, scheduled for April 1, but now moved back to no later than June 1, will make the beef cattle-feedgrain price ratio sufficiently favorable to allow some feedlots to operate at a profit. Such operations probably will have to utilize part or most of the corn used for feeding in the form of silage, a practice not yet widely known in France. Thus, this development may take some time. It also probably is necessary to supplement feedgrains with cheap sources of energy like sugarbeet pulp in order to produce beef economically. In the long run, however, France seems likely to work out a way to feed its surplus grain to cattle as well as to hogs and poultry. The further 15-percent increase in beef prices proposed by Minister Faure for a later date would, of course, stimulate grain feeding of cattle.

As grain feeding comes more into use, the number of cattle and the production of beef should continue to grow.

For the coming year, however, this product, as well as pork, will face a depressed market, with large and increasing production keeping prices at or near intervention levels. The production outlook for hogs is further clouded by the low returns, especially to farmers in Brittany who complain they are not earning a living.

From the U.S. point of view, the principal interest is in variety meats. The United States supplies about 48 percent of the 58,000-ton French variety-meat market.

Our sales in 1967 declined, however, owing mainly to strong competition from East European countries, which supplied variety meats, especially beef livers, of good and uniform quality at reasonable prices. French importers state that U.S. beef livers, the principal item in our variety meat trade, are generally of excellent quality, but some shipments do not meet the quality expectations of the buyers. They also say that the main factors behind the importers' choice of suppliers are uniformity of grades (each U.S. plant now has its own grades) and prompt settlement of disputes over quality delivered, rather than price. Maintaining an important position in this big variety meat market is possible, however, if U.S. exporters are willing to use suggested grades and standards for the principal variety meats.

FRANCE'S PRODUCTION OF RED MEAT, 1965-67

Kind of meat	1965 [1]	1966 [1]	1967 [2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Beef	1,224.0	1,293.5	1,389.4
Veal	410.4	424.0	443.3
Mutton	134.6	141.7	143.1
Pork	1,320.0	1,318.6	1,382.2
Horse	103.0	93.0	77.0
Total red meat	3,192.0	3,270.8	3,435.0

[1] Revised. [2] Preliminary.
Statistique Agricole & Bulletin Mensel de Statistique.

Rubber Sales Finance Malaysia's Imports

By GOODLOE BARRY
Foreign Regional Analysis Division
Economic Research Service

Despite declining prices in world markets, natural rubber paid for half of Mainland Malaysia's record $860-million worth of imports in 1966. Mainland Malaysia (which does not include the portion of the country on the island of Borneo) completed the year with a welcome favorable balance of trade of $155 million. The young republic also kept well out of the red in 1967, but the balance was smaller.

Foreign exchange earnings generated by overseas sales of rubber financed Malaysian purchases of food and other farm products from many lands. U.S. agricultural exports to Malaysia and Singapore climbed from $14.8 million in 1965 to $17.1 million in 1966. The greatest gain in value of sales was for flue-cured tobacco. Other U.S. products that had increased purchases were wheat, feeds and fodder, infants' and dietetic foods, ginseng, fresh oranges and tangerines, and raisins. The outlook for all these products is good as long as prices are competitive.

Economic Growth in Malaysia by Pierre R. Crosson—a recent publication prepared under USDA contract by the National Planning Association's Center for Development Planning—projects substantial increases in imports by Malaysia and Singapore of seven classes of agricultural products of interest to the United States. The import gains projected for the 10-year period ending 1975 are: wheat and flour, 39 percent; meat, 87 percent; vegetables, 19 percent; dairy products, 47 percent; cotton, 56 percent; tobacco, 65 percent; and edible oils, 51 percent.

With a growing population and a changing and modernizing economy, there seems to be no question of the needs for the projected volumes of imports. The country's ability to successfully export rubber and other products will determine its ability to finance such imports.

Rubber industry fights falling prices

Prices of natural rubber—the commodity that makes the Malaysian economy tick—continued their worrisome descent all through 1967. The January average on the New York market was 21.5 cents a pound. In December the average was 17.6 cents—more than 50 percent below the 38-cent level of 1960 when the long-term decline began and 18 percent less than at the beginning of 1967. However, in March 1968 the trend was reversed at least temporarily.

Rubber trees, thousands of them among the most productive on earth, occupy two-thirds of all cultivated land in Mainland Malaysia and provide some of the livelihood of 60 percent of the economically active population. Malaysia supplies more than 40 percent of the world's natural rubber.

Despite the huge loss of potential foreign exchange earnings because of dropping rubber prices, Malaysia's well-directed economy has remained on solid ground. The government and the natural rubber industry have not taken price losses lying down but have counterattacked on many fronts.

By the development and widespread planting of new high-yielding varieties of rubber trees, production costs have been reduced. To lower costs still more, present intensive research seeks to increase tapping intervals from 2 or 3 days to 10 days.

The old drab, inefficient export bales have been replaced by new film-wrapped packages that keep out dirt and dust, are easier to handle, and make the contents clearly visible.

Rubber is now being processed to technical standards—some for general consumption and some to meet exact requirements for specific uses. Government and industry were greatly encouraged when demand for the new standard rubber outstripped supply.

In addition, the government expanded efforts to diversify crops in order to reduce dependence on a single commodity. Palm oil production and exports were doubled between 1961 and 1967, and prices were good.

New uses of natural rubber

Two technical developments—one new and one old but only recently catching on in the United States—have given rubber producers the world over renewed faith in their ability to maintain a competitive position with synthetics. This is particularly evident in Malaysia.

The new breakthrough is an oil-extended rubber that equals or betters the synthetic rubbers that have dominated the tire-tread market in the United States for the past 10 years. The new natural rubber compound has superior nonskid qualities on icy roads and wears as well as the best synthetics according to a report following rigorous tests in Sweden last winter. Prices for the new rubber and for synthetics are about the same.

Radial-ply tires, introduced about 6 years ago and now mounted as original equipment by 35 percent of foreign auto makers, are just getting their first serious recognition in the United States.

Advantages claimed include 50 to 80 percent more tread wear, a smoother ride at turnpike speeds, and better traction on wet surfaces. Radial-ply tires are claimed to be safer than tires made traditionally. One disadvantage is a higher price to the auto maker—$15 to $18 per tire instead of the usual $8 to $12 per conventional tire. Another disadvantage is a rougher ride at slow speeds (which may be eliminated by modification of suspension systems).

Malaysian growers, processors, and exporters are hopeful because radial tires use from 40 to 80 percent natural rubber; conventional U.S. tires for passenger cars use only 15 to 20 percent natural rubber.

In summary, technical success with rubber programs in Malaysia and the ability of natural rubber to compete in international markets with synthetics may largely determine whether the food, fiber, and tobacco imports projected to 1975 for Malaysia will be reached, including imports from the United States. Thus, American agriculturalists have a real interest in the future of Malaysian natural rubber.

Editor's note—Mr. Barry's article is the second in a series of summaries estimating future supplies of and demands for agricultural products in key countries. This summary, unlike the first, is based mostly on information available to or processed by the U.S. Department of Agriculture (USDA).

Need for improvement seen in

India's Crop Reporting System

By ROSS L. PACKARD
U.S. Agricultural Officer, Bombay

India—a large, diversified country with many spoken languages, great distances, poor transportation facilities, and inadequate communications systems—has an agricultural data program that is for the most part a tribute to its statisticians. Nonetheless, there is little question but what a heavy challenge exists for improving the operations of the program in India.

The deficiencies of this system were never so apparent as during India's food crisis of the past 2 years. During this time of emergency, it was only natural for attention to focus on foodgrain statistics and on certain weaknesses and lacks within the system. Occasionally, insufficient details regarding food production hampered assessments of India's needs, especially during the growing season.

In looking back and attempting to understand why the problems occurred, one finds that India has made great strides in providing crop-cutting surveys at harvesttime but has felt little need to push for early-season forecasting. Pressures for other types of important information made such a decision seem logical at the time, as did the burden of transmitting the crop information from local district to State to Central Government officials.

Planners working for improvements

Now, in retrospect, many officials more fully appreciate how many critical decisions had to be made last year at times when there was insufficient knowledge of the true crop or supply situation. One good aspect has been that Indian and U.S. Government officials have increased efforts toward thinking about, planning, and implementing programs designed to fill information gaps. Even this year, with India's foodgrain crop forecast at a bumper 97 million tons or better, there is quite evidently a need for more orderly and systematic knowledge of the size of the crop.

Collection of agricultural statistics in India developed basically as an incidental part of the collection of land revenue and has largely continued as a side activity of the land revenue administration.

Nevertheless, the country has established a good reputation around the world in theoretical statistics and has taken steps over the years to improve its systems of collecting agricultural data. The plural is necessary since it is impossible to apply one system to all of India. Some measures that have been taken are: (1) Extension of geographical coverage, (2) broadened scope of existing program, (3) improvement in the accuracy of the data, (4) selection of new statistics, (5) standardization of published data, and (6) coordination of data collected by different agencies.

Following is a breakdown of how India now gathers material for and prepares its crop reports.

Acreage surveys and enumerations

Acreage statistics are primarily obtained by the land revenue staffs working at the village level. The enumerator on such a staff, using base maps showing individual fields, makes detailed records of each holding—field by field—on special forms or in books. He talks with the cultivator and in many cases actually visits the fields, usually around the time of harvest. In many areas of India, this is done twice a year, once in the fall and again in the spring.

The village patwari or clerk who usually does this work is in most cases a sincere and reasonably well-qualified individual. He tries to do a good job of obtaining the data but is often handicapped by his many other jobs, limited training in techniques of interviewing, and a lack of real appreciation of the need for basic statistical standards.

Developing more sophisticated methods at this level, moreover, is hampered by the huge size of the country, its limited

Left, workers cut through dense growth of sugarcane into their yield survey unit; above, part of the cane harvested from the sample is weighed before being processed.

Above, cane juice is caught as it runs from crusher; it will then be processed into crude sugar to determine sugar content. Below left, laying out sample unit; right, wheat sample is taken for threshing.

Right, grain is winnowed after having been harvested from the ear head. Above, worker exhibits simple but durable equipment used by crop samplers throughout India.

resources, and the lack of trained people. Hence, an acreage survey with a probability sample will probably not come for some time. And the pressure for local level data discourages the adoption of an acreage sample, that would only provide estimates at the State level.

Yield surveys and production estimates

India is often a delightful mixture of the new and the old, and modern India is reflected in the use of up-to-date statistical techniques for measuring crop yields. These measures are taken at harvesttime and involve procedures much like those used in the United States. The theoretical aspects are well founded, and the planning and sample selection seems to be well carried out.

One fundamental difference between U.S. and Indian surveys is the use in India of large plots—e.g., 33 by 33 feet—compared with U.S. samples, which often are as small as 2 by 2 feet for wheat. Indian statisticians have gone to these large units for a very practical reason. They have found that such units allow less error to creep into the surveys when illiterate farm hands occasionally harvest the wrong plant along the edge of the unit.

In the small units used in the United States, a greater portion of plants are along the edge of the units. Thus the percentage of questionable plants becomes much greater, requiring much care in training survey workers to determine which plants are in and which are out of the units.

The Indian crop-cutting work is done under the direction of the statisticians responsible for training and for supervision of the field work. In many cases, village-level workers are trained to complete the work. Each sampler is given a standarized kit of equipment and is taught how to use it. Special procedures are given on correctly entering the field and on laying out the units. This is all done according to random selection and modern statistical thinking.

Each sampler has two or three workers to assist him in laying out the units. Laborers are hired to harvest the unit and to thresh out the grain, hopefully under careful supervision. The harvesting and threshing are done by the same primitive methods generally used in India so they will probably reflect the yield level, giving the same types of losses through shattered grain or incompletely threshed heads as would happen under normal harvesting.

The yield data are combined into block-level, district, and State estimates and then sent to New Delhi to form an all-India estimate. This last step during the past 2 years of drought presented one of the most critical political problems facing the Indian statisticians. Several States were reluctant to send in estimates that might cause them to receive less grain from the Central Government. In some cases figures were delayed for weeks or months; in others, figures may have been juggled and lower estimates submitted. Statistics at the State level are handled by State Governments, so there is no absolute control from the Central Government. Eventually, some solution will be needed in this area, and obviously it will have to be handled at the highest levels.

Production estimates as now published in India are easily prepared once acreage and yields have been determined: traditional acreage figures are merely multiplied by the modern yield data to give a production figure. This practical blending typifies India of today as a land of contrast between the new and the old.

There is little doubt that the major field of effort in Indian statistics at the working level will be that of eliminating nonsampling errors. This is the fancy name that statisticians use to describe mistakes in following procedures made during the survey; control to prevent these is often the less glamorous phase of the operation.

The Indian statistician also must constantly fight against the urge to stay in the safer realm of theoretical statistics and must venture out into the multiproblemed everyday Indian life to see that the surveys are correctly carried out. Another major objective should be to find ways of doing early-season forecasting. When this is done, smaller units will have to be used, and training and supervision definitely intensified.

Finally, the administrators need to help Indian statisticians establish workable schemes which cut across State and Federal agencies in such a way as to allow adequate supervision. This may require major changes in thinking as to who should have responsibility for the statistical work.

India is in the throes of change; thus, the time may well be approaching when some of these needed improvements will be brought about.

Italian Grain Crops Expected Up

Both corn and winter wheat crops are expected to be larger than ever before in Italy this year. The winter wheat crop, due to both favorable growing conditions and increased acreage, is forecast at about 10 million metric tons—7.5 million tons of soft wheat and 2.5 of durum. The corn harvest may be as great as 4 million tons, or 4 to 5 percent more than 1967 production and the third consecutive record crop. The corn crop is estimated to be high because of an anticipated 10 to 15 percent increase in acreage (particularly in Veneto Province) and use of better seed and more fertilizer.

Italian stocks of wheat, both government and private, are estimated as large—about 1 million metric tons as of the end of 1967. Private trade had about 308,000 tons of soft wheat and 111,000 of durum, 467,000 tons of soft wheat were held by the government and about 132,000 of durum.

Due to the large stocks of domestic soft wheat on hand, soft wheat imports will probably decline about 20 percent from 1966-67, when they were 1.0 million metric tons. Also, less soft wheat is expected to be imported because of exports of flour, in which imported soft wheat is used, are falling. Millers are cutting flour production because of the slow subsidy payments by the Italian Government for exported flour.

An event that will have a positive effect on wheat imports is the passing of the new pasta law, which became effective January 1, 1968. The new law requires 100 percent durum semolina to be used in pasta products. Current estimates are that Italy will be able to produce only about 70 percent of the durum needed to make pasta products for domestic consumption and export.

Corn imports are expected to be down from 1966-67, probably by about 25 percent. Corn consumption dropped about 30 percent in Italy in December and January; the drop occurred because local poultry and livestock prices were too low for producers to afford to buy and feed corn. At present, low livestock and poultry prices still persist. Italian corn stocks at the end of 1967 were estimated at between 600,000 and 700,000 metric tons.

Western Europe's Agriculture

Another Year of High Production Expected

By FLETCHER POPE, JR.
Foreign Regional Analysis Division, ERS

Agricultural production in Western Europe[1] surged to a record level in 1967. The outlook for 1968 remains favorable, but total output probably won't exceed that of 1967.

In 1967, significant increases were recorded in the production of most grains, meat, and dairy products. Potato, sugarbeet, and tobacco crops were also larger than in 1966. Corn and cotton crops were reportedly smaller.

For most crops—particularly grain—increased output was due chiefly to above-average yields. Excellent weather during the growing and harvesting seasons was the key factor in the impressive increase in yields although the greater use of advanced technology and no farm inputs also contributed.

Bumper 1967 grain crops

Grain output increased in every country of Western Europe in 1967, resulting in record total production of nearly 118 million metric tons, compared with about 103 million tons in 1966. Production increased for all grains except corn; there were substantial gains in wheat, barley, oats, and rye.

Wheat production, at 47 million tons, was 18 percent or more than 7 million tons greater than the relatively small 1966 crop; production rose in every Western European country except Greece.

Rye production increased to over 5.4 million tons, up 15 percent. In West Germany, which usually produces over half of Western Europe's rye, output was up by 17 percent.

Barley reached a record level of more than 37 million tons, 17 percent above the previous record crop of 1966. The four major producers—France, United Kingdom, West Germany, Denmark—had a combined increase of over 4 million tons, 75 percent of the total increase.

For *oats*, a small increase in acreage plus increased yields pushed the crop to a level 12 percent above that in 1966. Production of *rice* and *mixed grains* also increased. *Corn* production declined slightly to an estimated 10 million tons.

More meat and milk

Red meat production in Western Europe increased significantly during 1967. Output of *beef* and *veal* continued to rise in most countries, with major increases in France, Italy, and Ireland. *Pork* production rose to a record 7.6 million tons, following 2 years of nearly stable output. *Poultry* meat increased 7 percent, to 2.3 million tons.

Milk production rose again in 1967, reaching more than 112 million tons. Production of cheese, nonfat dry milk, and butter was excessive in all countries except the United Kingdom (a large importer), and surpluses have become a critical problem in some countries.

Other field crops, fruits

The 1967 *potato* crop was estimated to be almost 663 million metric tons, compared with 61 million tons in 1966. Almost the entire 1967 increase occurred in the countries of the EEC.

Sugarbeet production, estimated at about 65 million tons, was up 5 percent from 1966. The EEC countries accounted for about 80 percent of the increase, with most of it occurring in the Netherlands and Belgium.

Tobacco output increased 10 percent, to 275,000 tons. Production in Spain and Greece increased sharply, largely because of expanded acreage in Spain and higher yields in Greece.

Cotton production totaled around 163,000 tons, down 9 percent from the good 1966 harvest. Production in Greece was 9 percent higher, in Spain 27 percent lower. The decline in Spain was due to a reduction in area planted.

The *apple* crop was up almost 10 percent; West Germany and France had significant increases and Italy and the United Kingdom, marked decreases. The West European *pear* crop was down approximately 10 percent. The *citrus* crop was also somewhat below that in 1966, the decrease due largely to a smaller (more nearly average) harvest in Spain.

Prospects for 1968

- Fall sowing of wheat in 1967 was generally favored by good weather, and germination has been reported fair to good in the United Kingdom and France.
- Efforts to expand the production of feedgrains, which reached record levels in 1967, are expected to continue—particularly in France, Spain, and Italy.
- Beef import requirements can be expected to increase in the traditional importing countries this year. Cattle numbers may tend to stabilize in 1968. The foot-and-mouth disease epidemic caused a slight decrease in U.K. cattle numbers, and data on France and West Germany also point to a slight decrease, while in Scandinavia declines are sharp.
- Pork production is expected to remain at a high level, at least through the first half of this year. West Germany, the major hog producer, is expecting some expansion over 1967. Italy is still rebuilding herds following the 1967 and recent 1968 swine fever outbreaks.
- Poultry meat production is expected to increase this year despite severe price declines and a market glut in some countries in 1967.
- Surplus milk is being diverted to the production of butter, nonfat dry milk, and cheese. Stocks of butter and nonfat dry milk are large.
- During the first 5 months of the 1967-68 trade year (July-November 1967) U.S. agricultural exports to Europe declined somewhat.
- Increased availability of feedgrains in Western Europe, along with increased supplies in other feedgrain-exporting countries, may continue to dampen West European demand for this major export of the United States.

However, any decline in demand for feedgrains may be partially offset by some increased demand for our soybeans.

- Western Europe's imports of U.S. fruits, vegetables, and variety meats may be boosted in 1968—as a result of trade concessions received by the United States in the Kennedy Round negotiations.

Emphasis on the longer staple varieties of cotton in the United States will improve this country's competitive position.

[1] The 17 countries included in Western Europe as discussed in this article are: Austria, Belgium, Denmark, Finland, France, West Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

Israel Builds New Markets for Avocados

By RAFAEL N. ROSENZWEIG
Office of U.S. Agricultural Attaché
Tel Aviv

Five years ago few housewives in West Germany had ever seen Israeli avocados. This marketing year—October through next June—they will probably buy about 200 metric tons of them.

In marketing year 1965, England bought 248 metric tons of avocados from Israel; this year such sales are estimated at 850 tons. In the same period, France increased its purchases of Israeli avocados from 213 tons to 900 tons. In the past 5 years avocado exporting in Israel has grown from a $200,000 business to one estimated at $1,200,000.

Behind these figures is an impressive record of production and promotion. And the story has just begun.

A tree grew in Rehovot

Today the larger part of Israel's over 4,500 acres of avocado plantings are of Fuerte, Nabal, and Hass varieties. But about one-fifth of the avocado acreage is planted to the Ettinger—a specific Israeli strain with large fruits and small seeds. All Ettinger plantings are descendants of a single tree discovered by chance at the Agricultural Research Station at Rehovot, the home of the Weizman Institute and the Faculty of Agriculture of the Hebrew University.

About 40 years ago, a limited number of avocado saplings were planted in an orchard at Petach Tiqva, and, a little later, in the Introduction Plot of the Agricultural Research Station at Rehovot; a few trees had been planted previously in other places along the coastal plain of Palestine. It took the scientists at Rehovot about 10 years to determine the varieties suitable for Israel's climate and soils. In this process the Ettinger strain was discovered and named after the agronomist who laid part of the foundation for Israeli agriculture.

Experiments with new varieties are continuing at Rehovot.

To Israeli farmers accustomed to sophisticated citriculture, culture of the avocado posed only minor problems. The avocado is well suited to many of Israel's soils, and the Mediterranean climate of the coastal plain produces a tasty fruit with up to 17 percent of fat content.

Trees usually yield a first commercial harvest 5 years after planting and achieve full production in another 5 years. Average yields are about 3 to 5 tons per acre, the yield varying with variety.

However, avocado growers did have one big problem at first—how to sell a product that was unknown locally except to a few hundred immigrants from Latin America. By the late 1950's only several hundred tons of avocados were marketed each year, all locally. Prices were about five times those of oranges.

Growers used part of their excellent returns to begin an intensive domestic promotion campaign. Thousands of leaflets and recipes were distributed with the fruit. The avocado was mentioned frequently in women's pages and on radio programs. Its use in cooking contests was encouraged.

As supplies increased each year, as prices declined, and as the avocado became better known, local sales spurted.

Export potential

It soon became evident that Israel's increasing acreage of avocado plantations was well located to supply various European markets.

The nucleus of a market already existed in France and England, where there were many people who had lived in tropical and semitropical areas and had learned to like the avocado. In England, Israel faced little competition for the market. In France, avocados were being supplied by former possessions in Africa. However, once the French became acquainted with Israeli avocados they seemed to prefer them.

By 1964—in order to lessen dependence on France and England, which had developed into two major Israeli avocado export markets—Israeli growers decided to develop a German market. Here they had to start from scratch.

The promotion methods used in Germany were nearly identical with those used to popularize the avocado in Israel. Every avocado sold was wrapped in tissue, which served the double purpose of protecting the fruit from bruises and of informing the buyer what to do with the purchase.

West Germany has now joined England and France as a major customer of Israeli avocados, the three taking about 90 percent of exports; the rest goes to 13 other European countries.

Exports handled with care

In developing export techniques for avocados, Israel used its vast experience gained with citrus. Although the small quantities exported in the early years were shipped by air, today most avocados are sent by surface transportation in refrigerated compartments.

For each variety, it has been determined how many days elapse between picking and softening at a given temperature. Picking, packaging, and shipping are scheduled accordingly. Only fruit in prime condition is sold abroad; great care is taken in culling and testing for ripeness. Consequently, prices obtained are high, and the Fruit Marketing Board has no trouble getting for its three central packinghouses every avocado suitable for export. This situation is in sharp contrast with that for some other export crops for which high local prices make it difficult to obtain produce to export.

Today Israel produces 4,200 tons of avocados of which 2,200 tons are exported. In 3 years, production will reach about 8,000 tons, of which 5,000 tons will need to be exported. Israeli avocado growers and Agrexco, their exporting

ISRAEL'S AVOCADO ACREAGE AT END OF AGRICULTURAL YEAR

Year	Area planted to—		Total
	Bearing trees	Young trees	
	Acres	*Acres*	*Acres*
1964-65	9,081	14,023	23,104
1065-66	12,540	14,332	26,872
1966-67	13,591	15,567	29,158
1967-68 [1]	15,135	16,617	31,752

[1] Preliminary.
Compiled from statistics from Ministry of Agriculture and Planning Authority.

ISRAEL'S AVOCADO PRODUCTION AND SALES

Agricultural year [1]	Production	Sales	
		Local	Export
	Metric tons	*Metric tons*	*Metric tons*
1962-63	1,048	648	400
1963-64	1,088	788	300
1964-65	1,210	677	533
1965-66	2,133	1,174	959
1966-67	3,230	1,618	1,612
1967-68	4,200	2,000	2,200

[1] October through September.
Annual Report of Ministry of Agriculture.

Below, Dr. C. L. Bedford of Michigan State lectures on canning white navy beans. Above, the canners check beans which have been sorted by electric eye.

(Continued from page 10)

company, are confident that markets can be built for this increased production—as markets have been developed in the past. The possibilities of the three major markets are far from exhausted. And other countries—such as Sweden, Switzerland, and the Netherlands that now take only a few tons annually—have a much larger potential, if their markets are developed along the lines that have proved successful in Israel and Germany.

Although Israel is aware that success breeds competition, it is confident that the quality of its product and the efficiency of its marketing methods will be difficult to compete with in the forseeable future. In the meantime, planting of avocados continues to be encouraged although the acreage planned for 1970-71 has already been reached 3 years ahead of schedule. A total annual production of 20,000 tons of avocados by the late seventies is highly probable.

Michigan Bean Seminar Briefs Europeans on Canning and Selling

By PHILIP M. DEVANY
*Michigan Bean Shippers Association**

Another step forward in the marketing of Michigan navy beans in Europe was made this spring when 12 major canners from the Continent came to Michigan for an intensive 2-week course in bean canning and marketing. The canners came from France, Italy, West Germany, the Netherlands, and Belgium; some already distribute Michigan navy beans nationally and internationally, and others are new to the product. They were guests of the Michigan Bean Shippers Association, the Michigan Bean Commission, Michigan State University, and the Foreign Agricultural Service.

Michigan white navy beans—familiarly found cooked in tomato sauce with pork—have in the last few years become an important new convenience food in many European pantries. Winning over European taste preferences has played a big part in the beans' success thus far (see *Foreign Agriculture* January 17, 1967), but attention to the technical considerations of preparing and canning has been equally important.

Swapping ideas

Since market development projects for Michigan beans got underway in Europe about 5 years ago, the Bean Shippers and FAS have carried on a brisk product information exchange with canners through team visits and the *Michigan Navy Bean News*—a quarterly journal with text in English, French, and German. But many canners interested in improving their bean products or adding beans to their food line had been writing to the Shippers with some specific questions about this country's canning and marketing methods.

So the Michigan organizations and FAS planned a teaching seminar at Michigan State University, selected 12 of the largest European firms, and invited their representatives to the United States to talk things over.

The seminar turned out to be such a valuable idea exchange another is on the drawing board for next spring.

During their 2 weeks in this country the Europeans got a good look at how Michigan bean operations carefully select and process beans to assure a consistently high-quality product—one of the beans, strong selling points on the Continent. The Americans were made newly aware of the problems they still face in marketing beans in Europe and made some important new trade contacts.

The seminar moved in and out of the classroom and through various parts of Michigan. Dr. C. L. Bedford, Professor of Food Science at Michigan State, who directed the seminar, set up lectures on bean breeding, storage, handling, and commercial canning techniques. The Europeans heard representatives of a large canning company, a food brokerage organization, and a large chain store explain how beans are marketed here from the canner to the consumer. Lively question-and-answer periods followed each session.

During its stay in East Lansing, the group met with Michigan State Government officials to discuss their role in Michigan bean exporting.

In the Saginaw, Michigan, area where navy beans are grown, the canners visited bean operations from the country elevator through the export marine terminals, talked with Michigan farmers, and appeared on some radio and television programs.

The group also went through a few supermarkets and purchased bean products which looked interesting. Later the canners visited a modern canning plant.

Interest in promotion

Representatives of the Michigan Bean Shippers and the Commission outlined to the canners market development programs open to their participation such as trade fairs, store campaigns, and trade center promotions. A trip to Washington and visits with their respective agricultural attachés rounded out the Europeans' tour.

The canners expressed great interest in participating in overseas trade fair exhibits for navy beans and were particularly eager to learn more about in-store promotions. Acceptances have already been received from four of the canners to take part in fairs and store promotions this fall on the Continent.

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* Member of National Dry Bean Council, FAS cooperator in overseas market development.

Protein-Rich Bread - A Sellout in India

Loaves of Modern Bread—lysine fortified and well advertised—have been selling out daily in Bombay stores since introduced in early January. Preslicing and colorful wrappers give contemporary Western appeal to Modern Bread, whose basic selling point is the high-quality nourishment it provides. Large-scale promotion is advertising the bread, end product of the first big effort to enrich a cereal food in India. It is also the largest lysine-enrichment program for food products in the world.

Those hoping that India's diet-improvement program would be boosted by the production of an enriched bread have followed Modern Bread's development for some time; the first appearance of Modern Bread in Bombay grocery stores was headlined by India's largest newspaper as a "Big Breakthrough on Nutrition Front."

Modern ingredients

USDA and AID have been working with the Indian Government to bring to the market a food already accepted in the Indian diet and enriched to satisfy nutritional deficiencies. Modern Bread fortified with lysine (a protein-multiplying amino acid now produced synthetically and cheaply) may be one answer.

Because lysine's unique properties make it adaptable to staple foods, a new avenue is open to anti-hunger efforts. Dr. Altschul, Special Assistant for International Nutrition Improvement, commented, "The fortification of bread with lysine converts bread into an entirely different commodity even though it looks and tastes the same." Adding lysine makes Modern Bread perhaps the most nutritious loaf produced in Southeast Asia, while its appearance, texture, and taste remain the same as other bread.

Success of this high-quality cereal product—shelves empty by noon in the government milk booths where the bread is sold—has been immediate. Several more government bakeries are planned and being constructed as soon as trained manpower is available. Also Britania, the major private baking firm in India, is beginning production of enriched biscuits. If current schedules continue, India will soon be producing 100 million loaves of Modern Bread yearly.

Modern Bread is nutritious and costs no more than unfortified bread, but bread is a middle-class commodity in India at present, so Modern Bread reaches only 1 to 2 percent of India's population. However, demand is impressive and small bakery competition keen. Many who cannot afford a loaf buy the bread by the slice. Rival bakers have been known to take the wax wrappers from Modern Bread and then insert their own loaves. Speculators buy up the bread for resale.

Now bakers in private firms are turning to production of the enriched loaf, but they are slowed down by a lack of the training and machinery necessary for baking Modern Bread. However, expanded production is expected. Inclusion in school-lunch programs and advertisement pointing to Modern Bread's particular value for pregnant and nursing mothers are planned. Prospects for bread products that are enriched because of the blends of local flours made from such commodities as millet, corn, peanuts, and tapioca are currently being researched. Possibly a bread loaf can be produced on a nutritional par with Modern Bread.

Implications of success

Success with Modern Bread is proving two points. India, a traditional rice-eating nation, is switching to other more plentiful cereal products with apparent ease. An appreciation of the nutritional value of high-quality foods is growing rapidly.

Left, two Indians supervise the Modern Bread baking process in the Bombay plant that opened early this year; below, advertising the finished product.

New Raisin Symbol Marks U.S. Product

Partly grape and partly Western United States, the new hallmark of the California Raisin Advisory Board (below) is now appearing on virtually all promotion material for this U.S. product.

Potential customers see the symbol on recipe contest posters in Britain, magazine spreads featuring traditional German raisin bread, and a Swedish ad series that encourages eating raisins while mountain-climbing.

A universally recognized signature for the California raisin industry has become increasingly important as the marketing field has expanded. Raisins themselves for example, are an innovation to many foreign eating habits.

Language barriers become a special problem in selling a product used mainly as an ingredient. Now ads for raisin cookies and cakes can accent California raisins' contribution to baked goods by simply including the raisin trademark.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between April 24 and April 30, 1968, most of the offer prices in Rotterdam declined. Canadian Manitoba declined 1 cent, Russian wheat 4 cents, and U.S. Soft Red Winter 2 cents. U.S. Spring increased 1 cent. Argentine was unchanged and U.S. 12 percent was not quoted.

Argentine corn increased 2 cents while U.S. corn dropped 1 cent. South African corn remained the same.

A listing of the prices follows.

Item	April 30	April 24	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.01	2.02	2.18
USSR 121	1.88	1.92	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.89	1.88	2.10
U.S. No. 2 Hard Winter 12 percent	(1)	(1)	2.00
Argentine	1.88	1.88	1.99
U.S. No. 2 Soft Red Winter	1.58	1.60	1.82
Corn:			
U.S. No. 3 Yellow	1.32	1.33	1.52
Argentine Plate	1.44	1.42	1.52
South African White	1.48	1.48	(1)

[1] Not quoted.

Note: All quotes c.i.f. Rotterdam and for 30- to 60-day delivery.

New Australian Canned Fruit Prices

The Australian Canned Fruits Board has announced higher 1968 minimum prices for clingstone peaches, apricots, fruit cocktail and two-fruits exported to the United Kingdom. However, Australian packers are reportedly nearly sold out.

AUSTRALIAN CANNED FRUIT MINIMUM EXPORT PRICES [1]

Fruit & can size	Fancy		Choice		Standard	
	Opening	New	Opening	New	Opening	New
	U.S. dol. per doz.		*U.S. dol. per doz.*		*U.S. dol. per doz.*	
Apricot halves:						
2½	3.12	3.18	2.94	3.00	2.82	2.88
No. 1	1.95	2.01	1.86	1.92	1.80	1.86
Peaches, Clingstone:						
2½	2.94	3.03	2.82	2.91	2.70	2.79
No. 1	1.83	1.89	1.77	1.83	1.71	1.77
Two-fruits:						
2½	3.00	3.06	2.88	2.94	2.76	2.82
No. 1	1.86	1.92	1.80	1.86	1.74	1.80
Fruit cocktail:						
2½	3.84	3.90	3.66	3.72	3.54	3.60
No. 1	2.43	2.49	2.34	2.40	2.28	2.34

[1] C.i.f. U. K. ports.

Hamburg Canned Fruits, Juices Prices

Importers' selling prices include duty, but exclude the added value tax, which became effective January 1, 1968. April 1967 quotations include the now expired turnover tax. Sales are in lots of 50 to 100 cases.

Type and quality	Size of can	Price per dozen units: April 1967	Jan. 1968 [1]	April 1968 [1]	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice	10	....	11.10	11.10	Spain
Not specified	2½	....	3.12	3.12	Spain
Do	2½	....	3.18	3.18	Greece
Do	2½	....	3.15	2.88	Bulgaria
Peaches, halves:					
Choice, light syrup	2½	....	3.54	3.60	S. Africa
Do	10	....	15.30	13.65	Australia
Standard, light syrup	2½	....	3.39	3.51	S. Africa
Not specified	2½	3.60	....	3.54	Argentina
Do	2½	....	3.39	3.30	Greece
Pears:					
Heavy syrup	2½	3.90	4.23	3.90	Italy
Not specified	10	....	13.05	12.30	Italy
Fruit cocktail:					
Choice, light syrup	2½	4.74	....	4.83	U.S.
Do	2½	....	....	4.77	S. Africa
Standard, light syrup	15 oz.	....	3.00	2.88	Australia
Not specified	303	3.39	....	3.60	U.S.
Pineapple:					
Whole slices:					
Fancy	2½	....	4.92	5.16	U.S.
Choice	20 oz.	3.30	3.15	3.18	U.S.
Do	2½	3.92	3.74	3.78	Philippines
Not specified	2½	....	4.14	4.17	U.S.
Do	20 oz.	....	2.26	2.26	Taiwan
Do	2½	3.39	3.30	3.24	S. Africa
Pieces and halves:					
Choice, chunks	2½	....	....	3.18	S. Africa
Not specified	2½	2.88	2.64	2.79	Philippines
Do	2½	2.88	2.72	2.97	Taiwan
Crushed:					
Fancy	2½	2.91	2.76	2.85	U.S.
Do	2	....	3.04	3.00	U.S. Mainland
Not specified	2½	....	....	2.55	China
Do	10	12.06	11.16	11.16	Philippines
CANNED JUICES					
Grapefruit, unsweetened	1 qt. [2]	3.63	3.99	4.47	U.S.
Do	43 oz.	3.87	3.48	3.30	Israel
Do	43 oz.	....	....	3.24	Greece
Orange, unsweetened	1 qt. [2]	3.63	4.08	4.41	U.S.
Do	43 oz.	....	3.57	3.51	Israel
Do	43 oz.	3.78	3.51	3.30	Greece

[1] January and April 1968 quotations exclude added value tax of 10 percent for juices and 5 percent for other processed fruit effective January 1, 1968, and are not fully comparable to earlier quotations which include the now expired turnover tax.

[2] Packed in glass bottles.

U.S. Cotton Exports Declining

Exports of U.S. cotton in the first 8 months (August-March) of the current season totaled 2,782,000 running bales, compared with 3,438,000 shipped during the same period a year earlier. March exports amounted to 436,000 bales, compared with 447,000 last month and 402,000 in March of 1967.

Cotton shipments to Europe this season (August-March) are down 23 percent from the 868,000 bales shipped during the same months a year earlier. Exports to Japan are 29 percent below the 861,000 bales shipped to that country in the first 8 months of the 1966-67 season.

U.S. exports of cotton in the entire 1967-68 season are expected to be around 4.2 million bales. This compares with actual shipments of 4,669,000 bales in the preceding season.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average 1960-64	1965	1966	Aug.-Mar.	
				1966	1967
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	23	3	4	4	1
Belgium-Luxembourg	121	43	52	45	27
Denmark	14	7	8	5	6
Finland	17	8	15	11	8
France	319	108	163	125	105
Germany, West	269	92	159	133	82
Italy	345	102	263	187	188
Netherlands	110	38	31	25	22
Norway	13	10	10	9	4
Poland & Danzig	125	42	78	62	52
Portugal	21	6	1	1	4
Spain	74	10	1	1	5
Sweden	81	59	71	53	51
Switzerland	74	35	79	65	47
United Kingdom	244	131	153	112	89
Yugoslavia	112	169	139	135	58
Other Europe	17	12	11	9	12
Total Europe	1,979	875	1,238	982	761
Australia	61	33	17	13	16
Bolivia	7	4	9	9	0
Canada	353	269	297	185	112
Chile	18	3	3	2	(1)
Colombia	3	57	1	1	0
Congo (Kinshasa)	6	25	34	8	0
Ethiopia	9	20	9	6	15
Ghana	1	1	15	9	5
Hong Kong	148	94	183	137	187
India	314	63	289	187	305
Indonesia	40	(1)	161	130	(1)
Israel	15	5	2	1	2
Jamaica	4	5	5	4	1
Japan	1,192	705	1,293	984	694
Korea, Rep. of	261	301	372	237	249
Morocco	12	12	14	10	17
Pakistan	14	6	3	3	18
Philippines	123	93	134	103	82
South Africa	41	27	38	28	16
Taiwan	209	178	373	270	207
Thailand	34	55	70	46	53
Tunisia	2	13	15	12	13
Uruguay	6	(1)	0	0	0
Venezuela	8	5	1	1	(1)
Vietnam, South	46	73	66	47	10
Other countries	18	20	27	23	19
Total	4,924	2,942	4,669	3,438	2,782

[1] Less than 500 bales.

Rhodesian Coffee Output Climbing

Rhodesian coffee production (though very small compared with major producers) is increasing by leaps and bounds. The 1967 crop is estimated by the Rhodesian Coffee Growers' Association to have reached a total of 494,000 pounds (3,700 bags of 60 kilograms). This approximately triples 1966 production.

The bulk of the crop was grown in the Chipinga area. Exports to the Republic of South Africa account for a large percentage of the Rhodesian crop.

Argentine Honey Crop Dropping Sharply

Reflecting unfavorable weather conditions and reduced bee population, Argentina's 1968 honey crop is now estimated at only 30.9 million pounds, less than one-half of the 1967 harvest of 66.1 million pounds. Export availabilities for 1968 will be approximately 22.0 million pounds, compared with the 58.6 million pounds exported in 1967. Argentina is one of the biggest competitors of the United States in the world honey market.

Canada's Flue-Cured Tobacco Exports Up

Exports of Canadian flue-cured tobacco rose to 41.3 million pounds last year, from 35.6 million in 1966. The average export value per pound for all shipments was 112.1 Canadian cents (103.7 U.S. cents).

The United Kingdom purchased about 35 million pounds in 1967 at an average price equivalent to 110 U.S. cents per pound. It is likely that most of these shipments consisted of stripped leaf. Other important markets in 1967 included Denmark 1,172,000 pounds and Trinidad-Tobago 1,030,000.

Exports of kinds other than flue-cured in 1967 totaled 1.6 million pounds.

CANADA'S FLUE-CURED TOBACCO EXPORTS

Destination	1966	1967	Average 1967 export price
	1,000 pounds	*1,000 pounds*	*U.S. cents per pound*
United Kingdom	30,475	34,971	110.0
Denmark	712	1,172	67.6
Trinidad-Tobago	705	1,030	87.7
United States	392	816	51.9
Germany, West	906	713	52.5
Netherlands	376	603	39.6
Finland	40	382	56.7
Ireland	112	286	109.0
Jamaica	264	254	83.0
Malaysia [1]	482	182	90.0
Others	1,167	852	....
Total	35,631	41,261	103.7

[1] Includes Singapore.
Trade of Canada.

U.S. Tobacco Exports Decline in March

March 1968 exports of unmanufactured tobacco totaled 28.8 million pounds, valued at $26.0 million. In March 1967, 39.1 million pounds were shipped, valued at $33.6 million. Although there was a 26.4 percent drop in pounds exported in March 1968, compared to the same period in 1967, cumulative totals for the first quarter of 1968 compare favorably to those of 1967. First quarter shipments in 1968 were 117.9

million pounds, compared to 110.1 million for the same period in 1967, a 7.1 percent increase.

Exports of tobacco products in March 1968 were valued at $9.6 million. For the same period in 1967, exports of tobacco products amounted to $12.6 million.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	March		January-March		Change from 1967
	1967	1968	1967	1968	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	26,165	20,674	77,829	86,173	+ 10.7
Burley	5,885	3,600	12,355	8,962	— 27.5
Dark-fired Ky.-Tenn.	2,628	967	5,940	3,742	— 37.0
Va. Fire-cured [1]	623	341	1,504	1,359	— 9.6
Maryland	818	625	2,511	2,361	— 6.0
Green River	0	12	112	213	+ 90.2
One Sucker	15	0	82	7	— 91.5
Black Fat	636	137	1,223	668	— 45.4
Cigar wrapper	92	95	301	721	+139.5
Cigar binder	31	0	232	207	— 10.8
Cigar filler	86	70	148	106	— 28.4
Other	2,154	2,285	7,848	13,375	+ 70.4
Total	39,133	28,806	110,085	117,894	+ 7.1
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	33.6	26.0	92.8	100.6	+ 8.4

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	March		January-March		Change from 1967
	1967	1968	1967	1968	
					Percent
Cigars and cheroots					
1,000 pieces	5,753	13,218	13,307	23,394	+75.8
Cigarettes					
Million pieces	2,202	1,490	5,702	5,029	—11.8
Chewing and snuff					
1,000 pounds	17	22	49	69	+40.8
Smoking tobacco in pkgs.					
1,000 pounds	103	189	257	392	+52.5
Smoking tobacco in bulk					
1,000 pounds	1,645	1,479	3,501	3,818	+ 9.1
Total declared value					
Million dollars	12.6	9.6	31.9	30.6	— 4.1

Bureau of the Census.

Yugoslavs Smoke More Cigarettes

Output of cigarettes in Yugoslavia last year totaled about 67.2 million pounds, up about 7 percent from the 62.8 million pounds manufactured in 1966. The increase in cigarette production last year reflects rising demand for cigarettes. Sales totaled 62.8 million pounds of cigarettes in 1967, compared with 58.4 million in 1966, and 56.2 million in 1965. Output and sales of other tobacco products in Yugoslavia are insignificant.

Thai Tobacco Production Up Sharply

Thailand's 1968 tobacco harvest is placed at about 90 million pounds, compared with the revised estimate of about 82 million in 1967. The 1968 harvest of flue-cured is expected to be about 44 million pounds, up 22 percent from last season's 36 million. Burley production, at nearly 1.3 million pounds, is somewhat larger than the 1.1 million harvested a year ago. Oriental leaf production, at 375,000 pounds, however, is down from last year's 420,000. The crop of native sun-cured is expected to be about the same as the 44 million pounds harvested in 1967.

THAI TOBACCO PRODUCTION

Kind	Year of harvest		
	1966	1967	1968 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Flue-cured	31,593	36,029	43,920
Burley	1,084	1,141	1,274
Oriental	420	498	375
Native sun-cured	48,501	44,092	44,092
Total	81,598	81,760	89,661

[1] Preliminary; subject to revision.

Australia's Tobacco Imports During 1967

Australian imports of unmanufactured tobacco last year totaled 23.3 million pounds, with the United States accounting for 67 percent of the total. Other major suppliers were the Republic of South Africa, Greece, and South Korea.

Average import prices per pound, in terms of U.S. cents, for leaf imports from the major suppliers in 1967 were the United States 93 cents, Republic of South Africa 83, Greece 78, and South Korea 40.

AUSTRALIA'S TOBACCO IMPORTS

Origin	1965	1966	1967 [1]	Ave. per lb.
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*U.S. cents*
United States	19,506	16,382	15,734	92.7
Rep. of South Africa	3,590	2,554	3,574	83.4
Greece	177	1,093	1,419	77.8
South Korea	([2])	([3])	845	39.6
Fiji Islands	....	7	369	66.5
Malawi	425	385	209	36.1
India	....	72	208	25.6
Turkey	128	133	169	76.2
Mozambique	....	575	159	47.7
Canada	30	214	52	107.0
Rhodesia	5,414	891	2	31.8
Others	374	578	605	....
Total	29,644	22,884	23,345	85.5

[1] Preliminary; subject to revision. [2] If any, included in others. [3] Less than 500 pounds.

Japanese Cigarette Trade Thrives

The Japanese cigarette trade continues to thrive as total cigarette sales in 1967 rose to 191 billion pieces, a 5.6-percent increase over 1966.

In addition 3 new filter-tipped brands have been recently introduced and, reportedly, Luna, a low nicotine and tar content brand, is being well received. Taiyo, the first long-size non-filter-tipped cigarette was placed on the market in December at 19 cents per pack of 20.

Increased sales of filter-tipped brands will cause some reduction in the use of leaf per piece since less tobacco is required in filter-tipped cigarettes. However, since Japan's

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consumption is very high, the Japanese Monopoly Corporation continues to be a major importer of U.S. flue-cured tobacco, the principal kind used in the manufacture of cigarettes.

Greece Exporting More Burley Tobacco

Greek exports of burley tobacco have risen sharply since the country undertook the production of burley in 1960. For the fiscal year ended June 30, 1967, exports of burley leaf totaled 9.5 million pounds. This was below the 11.6 million exported in the previous fiscal year, but more than double exports in fiscal 1965. Principal export markets for Greek burley include West Germany, Egypt, the Netherlands, France, and Austria.

Production of burley in 1968 may exceed the 1967 crop of 24.8 million pounds, assuming that yields per acre continue the upward trend noted in previous years. The National Tobacco Board will grant licenses to growers to plant an area about equal to last year's 9,835 acres.

Effective January 1, 1968, imports of Greek tobacco into the European Common Market countries became free of duty.

GREEK EXPORTS OF BURLEY TOBACCO

Destination	Year ended June 30			
	1966		1967	
	Quantity	Price	Quantity	Price
	1,000 pounds	*U.S. cents per lb.*	*1,000 pounds*	*U.S. cents per lb.*
Germany, West	9,980	49	5,333	48
Egypt	840	43	1,442	56
Netherlands	26	25	785	63
France	....	....	575	27
Austria	414	44	441	51
Belgium	64	30	326	36
Switzerland	229	31	223	49
Portugal	....	....	212	43
Finland	....	....	110	41
Others	59	....	97	....
Total	11,612	48	9,544	49

Zambia Harvests Larger Tobacco Crop

Zambia's tobacco crop this season is expected to total some 15.4 million pounds, 30 percent more than the 11.8 million grown in 1966-67. The target for 1967-68 was 17 million pounds but dry weather reduced yields.

Production of flue-cured in 1967-68 may total about 14 million pounds, compared with last season's 10.9 million. The burley crop may reach 1 million pounds against 600,000 pounds last year, and Turkish 400,000 pounds, compared with a little less than 300,000.

The Zambian Government continues to encourage production of flue-cured by specialized training, a 30-percent subsidy on the cost of flue-curing barns, the use of flue-cured cooperatives, and expansion of tenant farming schemes. The target for flue-cured production in 1970 is 30 million pounds. Based on performance for the past two crops, however, the goal is not likely to be attained.

More Tobacco Used in Chile

Leaf tobacco used in manufacture of tobacco products in Chile in 1967 totaled some 17.5 million pounds, a gain of 8 percent from the 16.2 million used in 1966. Domestic leaf represented 74 percent of the total in 1967. The quantity of U.S. leaf used amounted to 2.1 million pounds, or 12 percent of the total. Most of the remainder consisted of tobaccos of Turkish, Argentine, and Cuban origin.

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